

RECEIVED 14 JUL 1999

FROM: EDDIE ROONEY
Culture and Recreation Division

DATE: 5 July 1999

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PS/MINISTER

NATIONAL SPORTS STADIUM

Summary

Issue: During the Adjournment Debate on 16 March 1999, the Minister announced the establishment of a Working Group, led by the Sports Council for Northern Ireland, to consider issues around the development of a National Stadium. The Working Group has completed its initial study.

Timescale: Presentation arranged provisionally for Thursday, 15 July.

Recommendation: That the Minister should meet representatives of the Working Group to discuss their Report.

Background:

1. In response to an adjournment motion proposed by John Grogan on 16 March, the Minister announced that he would set up a Working Group, led by the Sports Council for Northern Ireland, to consider the establishment of a National Stadium. Membership of the Working Group and its terms of reference are attached. (TABs A and B).

2. The Working Group engaged consultants to examine the need for and feasibility of a national stadium. Their report is attached (TAB C).

3. At the last meeting, members of the Working Group indicated that they would appreciate an opportunity to present the findings to the Minister.

Summary of Main Findings

4. The main findings of the exercise are:

- general agreement that there are fundamental inadequacies in existing sports facilities;
- the four core sports bodies (soccer, rugby, GAA and athletics) support the concept of a national stadium and would commit up to 30 events per annum;
- the estimated capital cost of a new stadium is in the region of £60-70m;
- annual running costs are expected to be c.£2m;
- three options for location have been considered, but no preference is indicated at this stage;
- there are several possible models for securing finance, including public private partnerships.

5. The report concludes that the proposal for a national stadium could succeed under a specified set of conditions and recommends that there is a case for further detailed investigations in the form of a full economic appraisal and PPP outline business case. Areas identified for further investigation include:

- market research on events/revenues/competition;
- technical feasibility and identification of the optimum design;

- further evaluation of site options;
- measurement of the potential social and economic benefits
- sources of capital and revenue funding; and
- potential ownership/management structures.

Assessment

6. The consultants' report represents the culmination of an intense period of activity to assess the extent to which a national stadium is a realistic proposition.

7. This has been a useful exercise and it has certainly helped to clarify both the potential of a stadium and the obstacles to be overcome before this can be realised. Securing the necessary capital and revenue funding will be particularly difficult, and there is a clear expectation that a substantial public sector investment will be required. The report recognises fully that considerable work has yet to be done before concrete proposals can be brought forward.

Recommendation

7. Responsibility for taking forward this issue will, of course, depend on political developments. However, as the Minister initiated the working group, he may wish to close off this stage of the exercise with a presentation of the report findings. A slot has been provided provisionally on Thursday, 15 July. It is not yet clear who will attend, but it is expected that the Sports Council and the consultants will be represented.

8. Don Allen, Chair of the Working Group, will be eager to secure an early commitment from the Minister to follow the initial exercise with a more detailed investigation and economic appraisal. He will probably refer to media interest in the issue, which is substantial.

9. Following the presentation, it is recommended that the Minister should

- thank the Working Group for such a speedy and comprehensive response;
- note that the report both demonstrates the potential for a national stadium and provides a realistic assessment of the obstacles still to be overcome;
- stress that affordability and long-term viability will be crucial concerns for Government;
- acknowledge the need for further work as recommended in the report;
- depending on political developments, either: agree to pass the issue to the Minister's successor, or to provide a formal response to the report following further consideration.

10. Should the Minister have to cancel the presentation at short notice, it would be possible to provide a written response to the Working Group's report.



E P ROONEY
☎ 59212

cc **Secretary**
Mr Holmes
Mr Palmer
Mrs Garrett
Mr Kirk

Encs

TERMS OF REFERENCE

The following draft terms of reference are presently agreed for Working party acceptance.

MEMBERSHIP OF WORKING GROUP

"To explore the need for, and feasibility of providing, a national stadium, in particular:

Don Allen, Chairman	SCNI
John Allen	NIAF (NI Athletics Federation)
David Bowen	IFA
Jim Boyce	IFA
Mervyn Elder	BCC
Kieran Kelly	SCNI
Eamonn McCartan	SCNI
Stephen Prenter	BDO Stoy Hayward
Philip Rees	RUAS
Mike Reid	IRFU
Ronnie Spence	DOE
Eddie Rooney	DENI (Assessor)

TERMS OF REFERENCE

The following draft terms of reference are presently agreed for Working party acceptance.

“To explore the need for, and feasibility of providing, a national stadium, in particular:

- to consult with relevant sporting interests to determine their willingness to participate in national stadium;
- to examine the potential for Sports Development and for enhancing the strategy for Sport in Northern Ireland;
- to assess the potential regenerative impact of a national stadium;
- to establish the potential for enhancing the social, economic, technical and political development within Northern Ireland;
- to examine the capital and recurrent funding implications and associated locational issues;
- to examine the potential relationships and linkages with relevant public and private sector organisations;
- to construct an outline business case;
- to prepare documentation to enable potential bidders to be appraised of the project and express their interests in promoting, owning and operating a National Stadium;
- to determine what further steps should be taken.”

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Mr Don Allen
Chairman
Sports Council for Northern Ireland
House of Sport
Malone Road
Belfast

5 July 1999

Dear Mr Allen

We are pleased to enclose our draft report on the initial study of a National Sports Stadium for Northern Ireland.

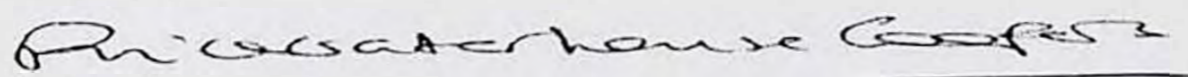
For your convenience our report is set under the following headings:

	Paragraph
I Executive Summary	1.1 – 1.2
II Background and Terms of Reference	2.1 – 2.26
III Assessment of Need and Objectives	3.1 – 3.22
IV Design and Site Options	4.1 – 4.36
V Capital Costs and Funding	5.1 – 5.30
VI Revenue Costs and Funding	6.1 – 6.32
VII Potential Economic Impact	7.1 – 7.6
VIII Conclusions and Recommendations	8.1 – 8.4

This report was prepared within a very brief 3 week timescale. On behalf of Consarc and ourselves we would like to thank the Sports Council Working Party and in particular the Chief Executive of the Sports Council, Mr Eamon McCartan your Project Officer, Mr Kieran Kelly, and yourself for your assistance and without whom it would have been impossible to meet our deadline.

If you require any further information please do not hesitate to contact Philip McDonagh at Belfast 245454.

Yours sincerely



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Mr Don Allen

5 July 1999

PricewaterhouseCoopers

Appendix

- A Terms of Reference
- B List of Consultations
- C Site Information
- D Projected Cash Operating Costs



RTG
Nt. Arden

Memo

From: R H Mackenzie
Deputy Secretary

Your ref:
Our ref:

Tel: (2)57350

cc:

Date: 2 July 1999

To: 1. PS/Lord Dubs
2. PS/Secretary of State

TEESLAND GROUP PLC - PROPOSED DEVELOPMENT AT LAGAN PARK, SPRUCEFIELD

Summary

Issue: To provide briefing for Secretary of State's meeting with officials on Monday 5 July 1999 to discuss Teesland Group's proposals for the possible relocation of the Royal Ulster Agricultural Society from Balmoral to a site at Sprucefield, Lisburn.

Timescale: Urgent. Briefing for meeting on 5 July 1999.

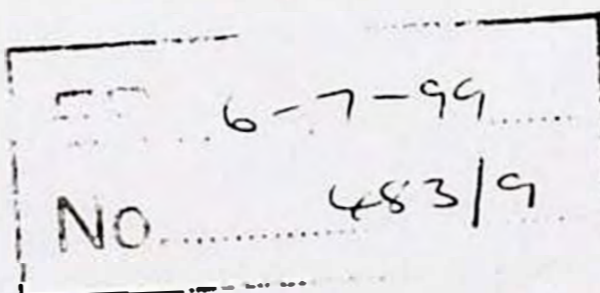
Recommendation: Secretary of State to note briefing attached.

Background

1. The Secretary of State met with the Chairman and Director of the Teesland Group plc on 17 June to discuss the Group's plans for the possible relocation of the Royal Ulster Agricultural Society (RUAS) from its existing site at Balmoral in Belfast to a site at Sprucefield, Lisburn, which would be named Lagan Park.
2. The Secretary of State was presented with a note outlining four areas where Government was being asked for support for the development (see Annex A). The Secretary of State indicated that she would meet with her officials to consider the points raised. A meeting with officials has been arranged for Monday 5 July.

Briefing

3. The Secretary of State is aware of the broad nature of the proposals being brought forward by Teesland. The proposed development would include the relocation of the RUAS at Lagan Park, along with the provision of a new national sports stadium, business park, car parking etc.
4. Briefing on the four specific points raised by Teesland is attached at Annex B.



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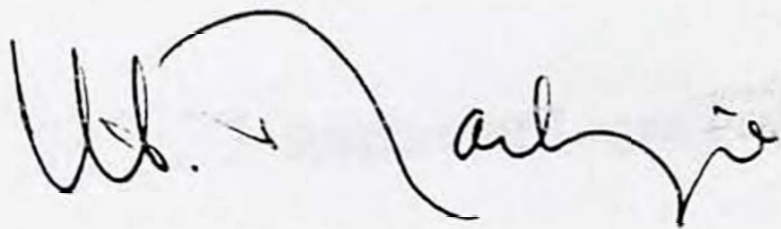
Planning Position

5. The position in relation to planning is that a planning application has not yet been submitted to the Department for consideration. However, the proposed development is likely to be of a scale which will require the submission of an environmental impact statement. The proposal is also likely to be designated a major application under Article 31 of the Planning (NI) Order 1991, which may involve the holding of a public inquiry. Advice on the likely timescale for processing the planning application is included at Annex C. It is likely that, subject to the need or otherwise for a public local inquiry, it could take up to 18 months from the date a planning application is submitted for a decision to issue.

Officials Attending

6. The following officials will be attending the meeting:

Mr Spence - DOE
Mr Loughran - DED
Mr Stewart - Planning Service



R H MACKENZIE

cc Mr Spence, DOE
Mr Loughran, DED
DED Private Office
DFP Private Office
Mr Stewart, Planning Service
Mr T Pearson, DOE
Mr B Campbell, DOE
Mr Rooney, DENI
Mr Maguire, DOE Press Office

ANNEX A

NOTE FROM TEESLAND GROUP
(PASSED TO THE SECRETARY OF STATE 17 JUNE)

Lagan Park, what we want:

1. An initiative from DED/IDB to initiate a search for an international (probably US) corporation to establish the first 'corporate villa'/HQ to coincide with the opening of the RUAS facility.

It would be helpful if an experienced property person for the VLA (such as Michael Graham) could be seconded to IDB to work exclusively with Teesland for an agreed time to bring this out.

- 2 Support for Lagan Park as the location for an International Stadium.
- 3 The SOS to assist in the launch of Lagan Park in London, Boston and at IDB's offices around the world.
- 4 Consider the placement of a large building there e.g. Rivers Agency as a tenant which will attract others to the park.

TEESLAND GROUP PLC - PROPOSED DEVELOPMENT AT LAGAN PARK, SPRUCEFIELD

Issue: Suggestion from Teesland that IDB should second a property expert from VLA to work exclusively with Teesland in attracting an international corporation to its proposed new site at Sprucefield.

Advice: While IDB's objective is to encourage private sector developers to become involved in the provision of industrial sites and buildings, and we welcome therefore the Teesland proposal, IDB does not have the DRC cover to facilitate the proposed arrangement and, even if we had, we could not justify extending preferential treatment to Teesland in the manner suggested.

If Teesland believe it would be important to have a secondee from VLA to work closely with themselves and IDB in the task of attracting an international corporation to its proposed new site at Sprucefield and if they are prepared to commit the necessary funding to cover the secondee's costs, then they should make contact direct with Nigel Woods, the Commissioner for Valuation and Lands, to explore the possibility.

IDB remains willing to support Teesland in its aim to attract such an international corporation, using our inward investment team.

VLA advice is that it would be happy to second an experienced property adviser to IDB. It should be recognised, however, that this represents completely new work, coming at a time when the Agency has just completed a major slimming down exercise. As a result, any secondment would be subject to a suitable financial arrangement being reached with other parties involved.

Issue: Teesland Group's development plans include provision of a new national sports stadium. They have asked for the Secretary of State's support.

During an adjournment debate on 16 March, John McFall announced the establishment of a Working Group to investigate the need for and feasibility of setting up a national sports stadium in Northern Ireland. The Working Group report will be with Mr McFall next week. It will include consideration of options for locating a stadium, including the Sprucefield site, but will give no firm recommendations at this stage. The Teesland Group was consulted during this exercise.

The Working Group report will be only the first stage in what is likely to be a lengthy process to develop realistic progress for a national stadium. It is likely that a more detailed appraisal will follow.

Advice: The Secretary of State should avoid being seen to give support to the Teesland Group's site as a preferred location for a future national sports stadium.

She could:

- ♦ recognise the potential offered by the Sprucefield site;
- ♦ note that we are at an early stage in developing proposals for a national stadium;

- ♦ agree that the Sprucefield site should be one of the options to be considered if it is decided to proceed with further development of the national sports stadium concept.

Issue: Secretary of State to assist in the launch of Lagan Park in London, Boston and at IDB offices around the world.

Advice: DOE advice is that Secretary of State should be very careful about lending support to the launch of Lagan Park, in advance of planning permission being granted, given that this could be perceived as prejudicing the normal statutory planning process.

Issue: Consider the placement of a large building there, eg Rivers Agency as a tenant, which will attract others to the Park.

Advice: The Department of the Environment has no plans at present to build any significant new accommodation. Arrangements have already been put in place to cater for the restructured Departments and the Assembly's requirements. Longer term plans include provision for returning the Department of Finance and Personnel from temporary offices at Rathgael to Stormont Estate and for the re-occupation of the refurbished Stormont Castle.

Within the next year or two, consideration will have to be given to replacing old temporary offices at Rosepark and Hydebank. Also, Government will need to respond to proposals for redevelopment in central Belfast, involving private acquisition for Government offices such as Churchill House and IDB House. After devolution, all these cases would be the responsibility of the new Administration and would be decided in the light of an office accommodation strategy which would include consideration for office dispersal policy, new TSN and PAFT. It is likely that such major initiatives would be undertaken through public/private partnership arrangements, in view of the limited capital resources available in the public sector. VLA advice is that the assumption must be that any such move was supported by a full Economic Appraisal and that all possible terms and conditions are subject to full open market considerations.

- Conclusion:**
1. There is no immediate need for a large new building.
 2. There is no obvious candidate for relocation.
 3. Any future needs will have to be considered in an overall strategy covering dispersal policy, new TSN and PAFT.
 4. Limited resources suggest future major government office projects will be undertaken in PPP arrangements which could take two or three years to complete.

**Topic: Teesland Plc. Development Proposals for Belfast/Dublin Corridor –
Timescale for Processing Planning Application**

Background

1. No application for planning permission for this proposed development has yet been submitted to the Department for consideration, however, it will be of a scale that will require the submission of an Environmental Impact Statement (ES). The proposal will also be designated as a major application under the Article 31 procedure of the Planning (NI) Order 1991, which may involve the holding of a public local inquiry by the Planning Appeals Commission.
2. The preparation of the ES, including traffic impact, is the responsibility of the developer and is entirely outside the Department's control. Indeed, under the Planning (Environmental Impact Assessment) Regulations (NI) 1999, the application is not valid and cannot be progressed by the Department until the ES is submitted for consideration. Such statements can normally take up to six months to produce.
3. The Department generally aims to decide how applications should be progressed within three months of receipt of all the necessary information, including the ES. If a public local inquiry were to be held, it would normally take up to six months for the PAC to hold the Inquiry. The PAC report and recommendation would normally be submitted to the Department for consideration within six months of the Inquiry closing and it is the Department's target to make a decision on the way forward within three months of receipt of the PAC report.

Line to take

4. Subject to the need or otherwise for a public local inquiry to be held, it could take up to eighteen months from the date a major application is submitted for a decision to issue.